

**Request for Proposal
for
Third Party Administrator Services for
State of Indiana Public Employees' 457(b) and 401(a) Plans**

RFP 2020-02

November 9, 2020

**Indiana Auditor of State Tera Klutz, CPA
as Plan Administrator**

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SECTION 1: GENERAL INFORMATION

1.1 Introduction

This is a Request for Proposal (RFP) issued by the Indiana Auditor of State (“AOS”), as the Administrator of the State of Indiana Public Employees’ Deferred Compensation Plan and Public Employees’ Matching Plan (collectively, the “Plan”) under Internal Revenue Code Sections 457(b) and 401(a). Information, about the Plan, is detailed in Exhibit A. This RFP solicits interest from firms that are in the business of providing administrative services for such plans.

The Administrator seeks competitive sealed proposals for defined contribution administrative services for the Plan (active, terminated and retired members). Please refer to Exhibit B, Scope of Services for a detailed description of the services required. Currently, Empower Retirement serves as the Third-Party Administrator (“TPA”).

The selected Respondent will assume TPA responsibilities for the Plan no later than April 2022. The base term of the contract will be a four-year term, with the option to renew. Renewal shall be at the sole discretion of the Administrator.

If you have any questions concerning this RFP, you may contact Staci Schneider, as provided in Section 2.3 of this Request for Proposal (“RFP”).

The AOS’ goals and objectives, for the RFP, include:

- Reducing the current fee structure, by lowering participant and Plan expenses, through a nationwide competitive bidding process;
- Providing a transparent and equitable fee structure in which third-party administrator/recordkeeping expenses are an explicit charge to participant accounts;
- Enhancing participant services through Plan branding, marketing to political subdivisions that are eligible for the Plan, and increasing utilization of technology and communication methods to increase participation and contribution levels;
- Outsourcing program administrative functions as appropriate and dictated by the Administrator;
- Maintaining independence in fact and appearance between the TPA and the investment managers and business partners associated with the Plan;
- Enhancing participant support, service, and education; and,
- Maintaining the Plan’s attractive investment menu with the continued ability to utilize an open architecture approach.

Proposals in response to this RFP are due at the AOS no later than 4:00 pm EST, December 18, 2020. See Section 1.3 for specific delivery instructions.

The Plan is a separate entity from the Indiana Public Retirement System (INPRS), which administrates the state’s Defined Benefit Plan and Defined Contribution (DC) Account. INPRS and AOS/Administrator operate through different platforms and staff.

1.2 Definitions and Abbreviations

Following are explanations of terms and abbreviations appearing throughout this RFP. Other special terms may be used in the RFP, but they are defined where they appear, rather than in the following list.

Administrator	Indiana Auditor of State (“AOS”)
Committee	Indiana Deferred Compensation Committee (“IDCC”)
Fee Proposal	Respondent’s proposed fees in response to this RFP
IAC	The Indiana Administrative Code
IC	The Indiana Code
Proposal	An offer
Respondent	Respondent who submits a Proposal
Services	Work to be performed as specified in this RFP

1.3 Submission of Proposals

All proposals must be **received** at the address below no later than December 18, 2020, at 4:00 pm, EST. Each Respondent must submit their response in accordance with all stipulations listed below.

Submit a total of eight (8) bound copies and one electronic copy as outlined. In the event the Respondent is unable to meet the hard copy requirements given COVID, please contact Staci Schneider, the RFP Coordinator.

Four (4) bound copies and one (1) electronic, PDF copy to:

Staci Schneider
Auditor of State
200 W. Washington St., Room 240
Indianapolis, IN 46204
sschneider@auditor.IN.gov

Ms. Schneider should also receive one electronic redacted copy (see Section 1.6 for details).

One (1) bound copy and one (1) electronic copy to:

Mike Frick
Treasurer of State
200 W. Washington St., Room 242
Indianapolis, IN 46204
mfrick@tos.in.gov

One (1) bound copy and one (1) electronic copy to:

Mike Paton
Barnes & Thornburg
11 S. Meridian St.
Indianapolis, IN 46204
mpaton@btlaw.com

Two (2) bound copies and one (1) electronic copy to:

Tiffany Spudich
Capital Cities, LLC
426 E. New York St.
Indianapolis, IN 46202
tspudich@capcities.net

Proposals must be clearly labeled: **RFP/2020-02: Indiana Public Employees' Deferred Compensation Plans**

Caution to Respondents about shipping / mailing: It is the responsibility of the Respondent to ensure that solicitation responses are **received** at the addresses listed in this RFP (not post-marked) **on or before the designated time and date. Any proposal received after the due date will not be considered. Any late proposals will be returned, unopened, to the Respondent, upon request, within thirty (30) days of filing.**

1.4 Modification or Withdrawal of Offers

Responses to this RFP may be modified or withdrawn in writing, by e-mail, prior to the date specified for receipt of proposals. The Respondent's authorized representative may also withdraw the proposal in person, providing his or her identity is made known and he or she signs a receipt for the proposal. Proposals may not be withdrawn after the proposal due date has passed.

Modification to or withdrawal, of a proposal received, after the date specified for receipt of proposals, will not be considered. If it becomes necessary to revise any part of this RFP or if additional data is necessary for an exact interpretation of provisions of this RFP prior to the due date for proposals, a supplement will be posted, by the Administrator, on its website (www.in.gov/auditor). If such addenda issuance is necessary, the Administrator reserves the

right to extend the due date of proposals to accommodate such interpretations or additional data requirements.

1.5 Joint Bids/Subcontracting

The Administrator will not entertain joint bids.

Although the Administrator anticipates that any Respondent submitting a proposal will provide the major portion of the services as requested, subcontracting by the Respondent is acceptable in performing the requirements of this RFP. However, the Respondent must obtain the approval of the Administrator before subcontracting any portion of the project's requirements. The Respondent is responsible for the performance of any obligations that may result from this RFP and shall not be relieved by the non-performance of any subcontractor. Any Respondent's proposal must identify all subcontractors and outline the contractual relationship between the Respondent and each subcontractor. Either a copy of the executed subcontract or a letter of agreement over the official signature of the firms involved must accompany each proposal.

Any subcontracts entered into by the Respondent must be in compliance with all State of Indiana statutes and be subject to the provisions thereof. For each portion of the proposed services to be provided by a subcontractor, the technical proposal must include the identification of the functions to be provided by the subcontractor and the subcontractor's related qualifications and experience.

The combined qualifications and experience of the Respondent and any or all subcontractors will be considered in evaluation of the Proposals. The Respondent must furnish information as to the amount of the subcontract, the qualifications of the subcontractor for guaranteeing performance, and any other data that may be required. All subcontracts held by the Respondent must be made available upon request for inspection and examination by appropriate Plan officials and such relationships must meet with the approval of the Administrator.

1.6 Confidentiality

Subject to applicable law or the order of a court of competent jurisdiction to the contrary, all documents submitted as part of a Respondent's proposal will be treated as confidential during the evaluation process and will not be available for review by anyone other than the Committee, the Evaluation Team, and the Plan administrator or designated agents. There shall be no disclosure of any Respondent's pricing or other proposal information to a competing firm prior to award of the contract unless such disclosure is required by law or by order of a court of competent jurisdiction.

Respondents are advised that materials contained in proposals are subject to the Access to Public Records Act (APRA), IC 5-14-3 et seq., and, after the contract award, the solicitation file may be viewed and copied by any member of the public, including news agencies and competitors.

Please note citing "Confidential" on an entire section is not sufficient. The Public Access Counselor (PAC) provides guidance on APRA. Respondents are encouraged to read guidance from the PAC on this topic as this is the guidance the Administrator will follow.

- [18-INF-06; Redaction of Public Procurement Documents Informal Inquiry](#)

Respondents claiming a statutory exception to APRA must indicate so on a separate attachment labeled “Confidential or Proprietary Information Form” (Attachment E). That document should include the following information:

- List all documents where claiming a statutory exemption to the APRA;
- Specify which statutory exception of APRA that applies for each document;
- Provide a description explaining the manner in which the statutory exception to the APRA applies for each document.

When claiming confidential information, respondents should submit two versions of their response:

1. A confidential version (for the State’s review and evaluation)
 - a. Confidential Information must be clearly marked in a separate folder
2. A redacted version (for public records requests)

If the Respondent does not identify the statutory exception, the Evaluation Team will not consider the submission confidential. **The Administrator reserves the right to make determinations of confidentiality and to seek the opinion of the PAC for guidance if there is doubt that the cited exception is applicable.** If the Administrator does not agree that the information designated is confidential under one of the disclosure exceptions to the Indiana Public Records Act, it may either reject the proposal or discuss its interpretation of the allowable exceptions with the Respondent. If agreement can be reached, the proposal will be considered. If agreement cannot be reached, the Administrator will remove the proposal from consideration for award and return the proposal to the Respondent.

Prices are NOT confidential information.

1.7 RFP Response Costs

Neither the Administrator nor the Plan accept any obligation for costs incurred by Respondents in anticipation of being awarded a contract.

1.8 Proposal Life

All proposals made in response to this RFP must remain open and in effect for a period of not less than one year after the due date for proposals. Any proposal accepted by the Administrator for the purpose of contract negotiations shall remain valid until superseded by a contract or until rejected in writing by the Administrator.

1.9 Taxes

The Plan is exempt from federal, state, and local taxes. Neither the Administrator nor the Plan will be responsible for any taxes levied on the Respondent as a result of any contract resulting from this RFP.

1.10 Secretary of State Registration

Before an out-of-state Respondent can do business with the Plan, the Respondent must be registered with the Indiana Secretary of State. If an out-of-state Respondent does not have such registration at present, the Respondent should contact:

Secretary of State of Indiana
Corporation Division/[INBIZ](#)
302 W. Washington St., Room E018
Indianapolis, IN 46204
(317) 234-9758

It is each Respondent's responsibility to register prior to the initiation of any contract discussions.

The Administrator will also run clearance checks against respondents with the **Indiana Department of Revenue (DOR) and the Indiana Department of Workforce Development (DWD)**. It is the Respondent's responsibility to be current on all taxes owed within the State of Indiana.

1.11 Discussion Format

The Administrator reserves the right to conduct discussions, either oral or written, with those Respondents determined by the Administrator to be reasonably viable to being selected for award. The Administrator also reserves the right to conduct clarifications to resolve minor issues.

1.12 Summary of Timeline

The following is the expected timeline for the RFP.

<u>ACTIVITY</u>	<u>COMPLETION DATE</u>
RFP published/released	November 9, 2020
Deadline to Submit Questions	December 4, 2020
Administrator posts Q & A	December 11, 2020
Proposal submission date	December 18, 2020
Finalist presentations	Beginning April 12, 2021
Site visits (as necessary)	Beginning May 10, 2021
Selection of vendor – Recommendation to IDCC	Week of June 7, 2021
Contract negotiations	Beginning June 14, 2021
Transition work begins (if needed)	By September 1, 2021

1.13 Illustration Assumptions

No representations or warranties of any type or kind are made by the Administrator or the Plan as part of this RFP as to the specific type or kind of investment products which may in the future be approved by the IDCC. Nor are any representations or warranties made as to the number of employees or eligible entities that will participate in the Plan, the amount of assets that will constitute the Plan, the potential usage of expected services or any other factor that might impact the provision of services to the Plan.

SECTION 2: PROPOSAL PROCEDURES

2.1 Contacts

Inquiries are not to be directed to any staff of the AOS or an IDCC member, except as outlined in Section 2.3. Such unauthorized communication(s) may disqualify Respondent from further consideration. The Administrator reserves the right to discuss any part of any response for the purpose of clarification. Respondents will be given equal access to any communications about the RFP between the Administrator and other Respondents.

2.2 Pre-Proposal Conference

It is the decision of the Administrator that no pre-proposal conference is required for this RFP.

2.3 Inquiries

All inquiries and requests for information affecting this RFP must be submitted by e-mail to the RFP Coordinator with the subject heading of “**Inquiry – RFP 2020-02**” no later than December 4, 2020 at 4:00 pm EST at:

Staci Schneider
Chief of Staff/Deputy Auditor
sschneider@auditor.in.gov

Responses to all questions will be promptly prepared. A copy of each question and answer will be posted to the Hoosier S.T.A.R.T. [website](#).

The Administrator reserves the right to judge whether any questions should be answered in writing and copies will be posted online by the date indicated on the timeline. Nothing stated by Ms. Schneider orally or in writing shall operate to amend this RFP unless such statements are reduced to a written amendment to the RFP.

NO ORAL OR WRITTEN QUESTIONS CONCERNING THIS RFP SHALL BE DIRECTLY ADDRESSED BY RESPONDENTS OR POTENTIAL RESPONDENTS TO ANY OTHER MEMBER OF THE IDCC, AOS STAFF, OR TO ANY IDCC CONSULTANTS FOR THIS RFP, UNTIL CONTRACTS HAVE BEEN AWARDED. A RESPONDENT’S FAILURE TO COMPLY WITH THIS RESTRICTION MAY RESULT IN DISQUALIFICATION.

This RFP is intended to publicize the availability of the contracting opportunities described herein. This is not an invitation to bid, and it is not a RFP under the Indiana Procurement Code (IC 5-22 *et. seq.*). The State of Indiana creates no obligation, expressed or implied, by issuing this announcement or by receipt of any proposals submitted pursuant hereto. The award of any contract as a result of this announcement shall be at the sole discretion of the Administrator. Neither this announcement nor any proposal submitted in response hereto are to be considered as a legal offer.

The contract award shall be made to the respondent whose proposal is most advantageous to the Plan. Please note that the Administrator is not required to select the respondent with the lowest fee proposal.

2.4 Respondent Site Visits

The Administrator may request a site visit to a Respondent's working support center to aid in the evaluation of the Respondent's proposal.

2.5 Contract Award

Based on the results of this process, the qualifying proposal determined to be the most advantageous to the Plan, taking into account all of the evaluation factors, may be selected by the Administrator for further action, such as contract award. If, however, the Administrator decides that no proposal is sufficiently advantageous to the Plan, the Administrator may take whatever further action is deemed best in his/her sole discretion, including making no contract award. If, for any reason, a proposal is selected and it is not possible to consummate a contract with the Respondent, the Administrator may begin contract preparation with the next qualified Respondent or determine that it does not wish to award a contract pursuant to this RFP.

The Administrator reserves the right to reject any or all proposals received or to award, without discussions or clarifications, a contract on the basis of proposals received.

SECTION 3: RESPONDENT REQUIREMENTS

The Respondents to this RFP must satisfy all of the Business Requirements of Section 3.1. Failure to satisfy these minimum qualifications may result in the immediate rejection of the proposal.

3.1 Minimum Qualifications

As of June 30, 2020, Respondents must satisfy *all* of the following mandatory minimum qualifications as outlined below in order to be considered for the contract award. The proposal must address the following areas in order to meet the minimum qualifications for consideration.

1. The Respondent must have a positive net worth as of the date of its proposal and shall maintain a positive net worth for the duration of any contract entered into with the Administrator. In addition, Respondent shall submit its most recent audited financial statement.
2. The Respondent must warrant that it currently has no interest and shall not acquire any interest, direct or indirect, in any entity that would conflict in any manner or degree with the performance of services required under any professional services agreement entered into between the Administrator and the Respondent.
3. As of June 30, 2020, the Respondent must be providing recordkeeping services for at least three governmental defined contribution plans, with each plan having at least 15,000 active participants.
4. As of June 30, 2020, the Respondent must have provided recordkeeping, and administrative services for governmental defined contribution plans for a minimum of five years.
5. The Respondent must be a direct provider of services (not a third-party broker).
6. The key professionals and/or the organization (or affiliate) must not have, nor could they potentially have, a material conflict with the Administrator/State of Indiana, the IDCC members, or its investment consultant, Capital Cities, LLC.
7. The Respondent must agree to provide the minimum required administrative and recordkeeping services as detailed in the RFP.
8. Errors and omissions or malpractice insurance must protect the Respondent.
9. The Respondent must have industry standard security, back-up, and recovery capabilities to its recordkeeping system.
10. The Respondent must provide dedicated resources to support the on-going consultation to the Administrator and all Plan participants located throughout the State of Indiana. This would also include the availability of customer service

representatives to support employee meetings and new employee orientation programs. The Respondent must provide an office headquartered in Indiana with a dedicated staff and field representatives who will serve participants, state agencies, and local subdivisions.

11. **Restrictions:** Any company which, either as a parent company, subsidiary, or affiliate is currently performing consulting services for the Plan may not compete in this RFP process. The firm(s) or any subsidiary, affiliate or parent company thereof, selected as a result of this RFP may not compete during the term of the resulting contract, any extensions thereto, in any subsequent Plan RFP, the main purpose of which is to hire a firm or firms for consulting purposes.

3.2 Information to be Provided by Respondents

All mailed/delivered proposals must be on eight and one-half by eleven (8-1/2 x 11) inch paper with tabs separating the major sections of the proposal. The sections shall include:

1. Cover Letter

A cover letter, which shall be considered an integral part of the proposal package, must be signed by the individual(s) who is (are) authorized to bind the Respondent contractually. This cover letter must indicate that the signer is so authorized and must indicate the title or position the signatory holds in the Respondent's firm. An unsigned proposal shall be rejected. The letter shall also contain the following:

- a) The firm's name, address, and telephone number.
- b) A statement to the effect that the proposal is a firm and irrevocable offer good for one year.
- c) A statement expressing the Respondent's willingness and capability to perform the services as described in this RFP.
- d) A statement as to the availability of staff, adequate computer processing capability, and other required resources for performing all services and providing deliverables within indicated time frames.
- e) Name, title, e-mail address, and telephone number of the Account Administrator (the Respondent's day-to-day contact).
- f) The Respondent's Federal Employer Identification number(s).

2. Statement Regarding Minimum Qualifications

Include a separate statement immediately after the cover letter delineating how your organization(s) satisfies the minimum qualifications contained in Section

3.1. The statement must contain sufficient information to assure the Administrator of its accuracy.

Following this statement, please provide the answers to the questions asked in Section 3.2.

3. Technical Requirements Checklist and Questionnaire

Respondents must complete and return the Technical Requirements Checklist contained in Attachment A and the Questionnaire contained in Attachment B. The information requested must be provided in the prescribed format. Responses which deviate from the prescribed format shall be subject to rejection. All responses to the Questionnaire will be subject to verification for accuracy. Proposals containing false or misleading information shall be rejected.

4. Fee Proposal

Respondents must execute and submit Attachment C.

5. Professional Services Contract Exception Form

Respondents must review and agree to the standard contract clauses contained in Exhibit C, Professional Services Contract. The Respondent is required to clearly identify and explain any exception that it desires to take to any of the terms and conditions of this RFP in Attachment D. Additionally, if the Respondent wishes to include or change any language in the base contract being submitted, proposed language should be included in this section in the form of an amendment to the base contract for services. It should be noted that Attachment D of this RFP includes the essential clauses that are non-negotiable.

6. Confidential or Proprietary Information Form

Respondents must execute and submit Attachment E.

7. Business References

Respondents must provide references as outlined in Attachment F.

3.3 Failure to Comply

The Respondent is specifically notified that failure to comply with any part of the RFP may result in rejection of the proposal as non-responsive.

3.4 Revisions to the RFP

The Administrator reserves the right to revise the RFP and/or to issue addenda to the RFP. The Administrator also reserves the right to cancel or to reissue the RFP in whole or in part, prior to

execution of a contract. In the event it becomes necessary to revise any part of the RFP, addenda will be provided to all those who received the RFP.

3.5 Most Favorable Terms

The Administrator reserves the right to make an award without further discussion of the proposal submitted. (NOTE: An exception is that the RFP Coordinator may contact the Respondent for clarification of a portion of the Respondent's proposal.) It is anticipated that there will be no best and final offer process, given the anticipated implementation date. Therefore, the proposal should be submitted initially on the most favorable terms the Respondent can propose.

SECTION 4: EVALUATION AND CONTRACT AWARD

4.1 Evaluation Team

The evaluation of proposals shall be accomplished by an evaluation team, to be designated by the Administrator, which will determine the proposal most responsive to the requirements stated in this RFP. Proposals will be evaluated strictly in accordance with the requirements set forth in this RFP and any addenda that are issued.

4.2 Responsiveness

Any proposal that does not adhere to the RFP format as specified may be considered non-responsive and not subject to further evaluation.

4.3 Award Based on Multiple Factors

The evaluation process is designed to award the contract to the Respondent whose proposal best meets the requirements of this RFP. The Administrator has selected a group of qualified personnel to act as an evaluation team. Proposals will be evaluated based upon the proven ability of the Respondent to satisfy the requirements in an efficient, cost-effective manner, taking into account quality of service with minimal tolerance for error. The specific scoring sheet, including evaluation criteria and weighting, is provided on the following page.

**Request for Proposal
RFP 2020-02
Scoring Sheet**

Weighting Key:

Company Qualifications	20%	200
Recordkeeping & Administrative Capabilities	25%	250
Participant/Outreach Services	25%	250
Investments	10%	100
Costs	20%	200
	<u>100%</u>	<u>1000</u>

	Section Weights		Respondent One		
			Rating (1-5)	Score	Notes
Company Qualifications	20%	200		0	
Organizational Structure and Key Personnel					
Commitment to Diversity					
Company Experience/References					
Ability and Willingness to Meet Contract Language					
Recordkeeper and Administrative Capabilities	25%	250		0	
Transition Plan and Timeline					
Processing					
Systems and Technology					
Security and Privacy					
Regulatory Services					
Trustee/Custodial Services					
Plan Reporting					
Staffing					
Participant/Outreach Services	25%	250		0	
Political Subdivision Outreach					
Call Center					
Online Participant Access					
Mobile Application					
Voice Response System					
Communication and Education Materials					
Local Staff and Field Representatives					
Advisory Services					
Investment Administration	10%	100		0	
Ability to Offer the Current Investment Menu					
Investment Flexibility					
Custom Funds' Administration					
Costs	20%	200		0	
Total Fee					
Other Costs (Additional Services, Project Fees, etc.)					
			Total	0	

Scoring Methodology

- 1 Inadequate response
- 2 Some component of service does not meet need or industry standard
- 3 Adequate response; services provided are adequate
- 4 Good response; services modestly exceeds needs or other responses
- 5 Superior response; services significantly exceed needs or other responses

All proposals will be reviewed by the Administrator and the evaluation team. References may be contacted. It is possible that finalists will be interviewed and site visits (if necessary) will be conducted by persons participating in the selection process.

4.4 Finalist Determination

The Administrator, at its sole discretion, may elect to select the top two or more Respondents, for site visits (if necessary) and oral presentations, for final determination of contract award. Commitments made by the Respondent at the oral interview, if any, will be considered binding. If interviews are conducted, the final selection will be based on the combined proposal and oral interview. Comments made in oral interviews will be incorporated into the final contract with the Respondent. Respondents with whom interviews are conducted will be asked to elaborate on the elements of their proposal.

4.5 Notification to Unsuccessful Respondents

Companies whose proposals have not been selected will be notified by email.